

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0108-03  
Bill No.: SB 58  
Subject: Motor Carriers; Transportation; Transportation Department; Roads and Highways  
Type: Original  
Date: January 31, 2011

---

Bill Summary: Modifies various provisions relating to the regulation of household goods movers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Road Fund	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown greater than \$100,000)</b>	<b>(Unknown greater than \$100,000)</b>	<b>(Unknown greater than \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue, Department of Labor and Industrial Relations** and **Administrative Hearing Commission** assume there will be no fiscal impact to their agencies.

Officials from the **Department of Transportation (MHTC)** assume the proposed relaxation of regulatory burdens on household goods movers should make it faster and less costly for motor carriers to obtain the required certificates or permits from MHTC, and to adjust their rates and charges in response to customers' demands and competitive conditions. These changes should assist motor carriers who transport household goods in entering new markets and offering new or expanded transportation services. In many instances, this could cause motor carriers to charge lower, more competitive rates to their consumers. However, these changes would also make it easier for household goods movers to raise their prices for service in areas of Missouri where there is little customer demand, or where it is less profitable for carriers to provide service that meets the needs of prospective shippers (such as some rural areas).

This proposal would terminate a substantial majority of the revenues currently derived by MHTC from regulator license fees paid by motor carriers, in that it would exempt motor carriers engaged in interstate commerce from paying these license fees, and would only require motor carriers who engage exclusively in interstate commerce to pay these fees.

**Oversight** has shown the cost to the State Road Fund as unknown greater than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>ROAD FUND</b>			
<u>Cost - Department of Transportation</u>			
Relaxation of Regulatory Rules on Household Goods Movers	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<b><u>(Unknown greater than \$100,000)</u></b>	<b><u>(Unknown greater than \$100,000)</u></b>	<b><u>(Unknown greater than \$100,000)</u></b>

FISCAL IMPACT - Local Government

FY 2011  
(10 Mo.)

FY 2012

FY 2013

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Yes, but the impact is unknown. It removes many administrative burdens and provides more flexibility for small businesses to meet demands and open competition.

FISCAL DESCRIPTION

This act modifies various provisions relating to the regulation of household goods movers.

**EXEMPTING HOUSEHOLD GOODS MOVERS FROM FILING RATES WITH THE COMMISSION-** Under the terms of this act, household goods movers will no longer have to file their schedule of rates, fares and charges with the state Highways and Transportation Commission. Under current law, only household goods movers operating exclusively within commercial zones are not required to file their schedule of rates with the Commission. Household goods movers, however, will still have to file a tariff or schedule with the Commission that includes the classifications, rules, and other terms and conditions unrelated to rates that govern the transportation of household goods. A household goods mover must maintain and publish its schedules of rates, fares and charges in its stations and offices. Such rates shall be available for inspection by the Commission, shippers, and the public (§387.040).

**PROHIBITION OF JOINT TARIFFS -** This act prohibits household goods movers from participating in joint tariffs. The act allows joint tariffs relating to the transportation of household goods over through routes or in interline service involving two or more separate motor carriers. Carriers of household goods participating in through routes or interline service shall file and publish joint tariffs or individual tariffs for each participating carrier (§387.080 and 390.116).

**ALLOW RATES IN COMMERCIAL ZONES TO BE DIFFERENT THAN THOSE IMPOSED IN RURAL AREAS OF THE STATE -** Under current law, household goods carriers are prohibited from using schedules of rates that divide the state into territorial rate areas. This act eliminates this prohibition. In addition, a common carrier may reasonably apply specific rates for the transportation of household goods between points located wholly within a commercial zone or between points located wholly within another contiguous geographic area defined in the carrier's tariff schedules, which differ from the rates the carrier applies to similar transportation

DESCRIPTION (continued)

of household goods between points that are not located wholly within that commercial zone or defined contiguous area, if the carrier has incurred or reasonably expects to incur different costs of providing such transportation exclusively within that commercial zone or other defined contiguous area, as compared to the relevant costs that the carrier has incurred or reasonably expects to incur in providing similar transportation in other geographic areas, and this cost difference reasonably justifies the carrier's application of such differing rates to such similar transportation (§387.110).

MISDEMEANOR FOR CHAPTER 387 VIOLATIONS- This act explicitly provides that persons who violate a provision of Chapter 387 are guilty of a misdemeanor. The misdemeanor penalty provision shall not affect any damage claim resulting from a motor carrier's accidental or negligent damage to household goods (§387.135).

CONSUMER PROTECTION REQUIREMENTS - This act requires the Commission to establish consumer protection requirements for motor carriers transporting household goods in intrastate commerce (§387.137).

VACATION OF MINIMUM/MAXIMUM COMMISSION RATE ORDERS - Under this act, all rate orders issued by the Commission affecting the transportation of household goods, to the extent such rate orders prescribe any minimum or maximum rates for the transportation of such goods, shall be vacated. Other provisions contained in the rate orders unrelated to prescribing maximum or minimum rates shall not be vacated. Nothing in this provision shall prohibit the Commission from issuing future rate orders that prescribe minimum or maximum rates (§387.355).

AUTHORITY FOR COMMISSION TO FILE ENFORCEMENT SUITS DIRECTLY IN CIRCUIT COURT - The act authorizes the Commission to file enforcement suits against motor carriers directly in the circuit court, without a prior Administrative Hearing Commission complaint or hearing (§387.365, 390.205, and 622.560).

ELIMINATE PROOF OF NEED FOR SERVICE - The act eliminates the requirement of contract carriers transporting household goods to demonstrate that the service proposed will serve a useful present or future public purpose when applying for a certificate of authority or permit. Concomitantly, an applicant for household goods moving authority or permit will not have to satisfy the public convenience and necessity test when proposing a new service, an extension of existing service, or a transfer of authority. An applicant for a household goods certificate of authority or permit will have to show that they are fit, willing, and able to perform the service, and that they will conform to other standards established by law. Only noncharter

DESCRIPTION (continued)

passenger services will have to demonstrate that the service proposed will serve a present or future public purpose when applying for a certificate or permit.

Under this act, the Commission shall not restrict any certificate or permit authorizing the transportation of household goods or passengers in charter service with reference to any route or routes (§390.051 and 390.061).

**ELIMINATION OF TEMPORARY HOUSEHOLD GOODS MOVER PERMITS** - Under this act, the issuance of temporary permits to household goods common carriers is eliminated. The issuance of a temporary authority permits is restricted to carriers transporting passengers other than in charter service (§390.081).

**DISCONTINUANCE OF SERVICE NOTICE ELIMINATED** - Under this act, a common carrier of household goods will no longer have to seek authorization from the Commission to discontinue service. Only common carriers of passengers other than in charter service must seek authorization from the Commission in order to discontinue service (§390.101).

Under the federal Uniform Carrier Registration Act, a state cannot require an annual renewal of the intrastate authority if the motor carrier is registered under the Uniform Registration Carrier Program except for motor carriers transporting non charter passenger service, waste or recyclable materials, non-consensual tows or household goods. This act requires the intrastate annual renewal only for waste or recyclable materials and eliminates any dual regulatory license requirement for household goods carriers, non charter passengers and non-consensual tows when those carriers are combination interstate and intrastate operators and fall under Missouri's intrastate jurisdiction (§390.136).

**STATEWIDE OPERATING AUTHORITY** - Under this act, any geographic restriction or provision limiting a household goods carrier's scope of authority to particular routes within this state contained in a certificate or permit, or both, which was issued prior to August 28, 2011, and any similar provision contained in a carrier's tariff schedule filed prior to such date, shall be deemed void. In lieu of the geographic restrictions expressed in such certificates, permits, or tariff schedules, a motor carrier shall be authorized to provide intrastate transportation of household goods between all points and destinations within the state until such time the certificates, permits, and tariff schedules are reissued or amended to reflect the motor carrier's statewide operating authority (§390.280).

**PROOF OF COMPLIANCE WITH WORKERS COMPENSATION LAW** - Beginning January 1, 2012, and continuing thereafter, every household goods carrier and every applicant seeking a

DESCRIPTION (continued)

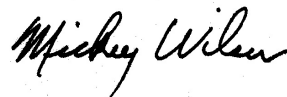
certificate or permit to transport household goods in intrastate commerce shall file with the Commission one of the following:

- (1) A certificate of workers' compensation insurance coverage that complies with Missouri law for all its employees;
- (2) A certification issued by the division of workers' compensation that the carrier or applicant is qualified to self-insure under Missouri law; or
- (3) A statement under penalty of perjury, stating that, in its operations as a household goods carrier, it does not employ any person in any manner so as to become subject to the workers' compensation laws of this state (§390.054).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation  
Department of Revenue  
Department of Labor and Industrial Relations  
Administration Hearing Commission



Mickey Wilson, CPA  
Director

L.R. No. 0108-03  
Bill No. SB 58  
Page 8 of 8  
January 31, 2011

January 31, 2011

VL:LR:OD (12/02)